GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR
LOK SABHA

UNSTARRED QUESTION NO:3552
ANSWERED ON:16.08.2000
BUYBACK OF SHARES
JITENDRA PRASADA

Will the Minister of SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR be pleased to state:

(a) whether the Government have approved a bunch of proposals including buyback of shares by Power Finance Corporation (P.F.C.) and Rural Electrification Corporation as well as creation of a Rs. 125 crore Credit Guarantee Fund for Small Industries (C.G.F.S.I.) and

(b) if so, the main features and their details thereof?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGF RURAL INDUSTRIES (SMT. VASUNDHARA RAJE)

(a)&(b): Government has recently approved a proposal for buyback of 21,30,000 shares of Power Finance corporation (Face Value of Rs. 1000/-) at a buyback rate of Rs. 2710/- per share. The scheme would make available Rs. 577.25 crores to Government of India.

A Credit Guarantee Fund Scheme for Small scale Industries has also been approved by the GovernmentUnder this scheme, guarantee will be given for 75% of the loan (term loan as well as working capital) amount upto Rs. 10 lakhs extended by the commercial banks and well performing regional rural banks to the small scale industrial (SSI) units without collaterals including third party guarantee.

the loaning banks. The Khadi and Village Industries Boards (KVIB) and the Khadi and Village Industries Commission (KVIC) alsc review performance at the macro level. The Government reviews the performance of programmes as such and not that of individual projects.

(b): Does not arise.

(c): The details of disbursement made by the KVIC in Maharashtra State and the performance in terms of production and employment for the last 3 years are given in the Annexure.

(d): As on 31.3.2000, 806 village industries projects had been financed in Maharashtra under the Margin Money Scheme by the Public Sector Banks. Sector-wise, project-wise details are not maintained centrally. During the current financial year i.e. 2000-2001 the KVIC has allocated Rs. 2.50 crores to the Maharashtra State KVIB as Margin Money advance under the Rural Employment Generatior Programme. This is in addition to the bank loans sanctioned by 27 scheduled Commercial Banks through their branches.